

Pursuant to 31 V.I.C. 239 (a) (4) and Rules and Regulations
Government of the United States Virgin Islands

Request for Proposals for

Third-Party Fiduciary Agent Services

Issued By:

United States Virgin Islands
Department of Property and Procurement
8201 Sub Base, 3rd Floor
St. Thomas, Virgin Islands 00802

**United States Virgin Islands
Request for Proposals
Third-Party Fiduciary Oversight and
Funds Management Services**

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RFP-015-2018 (P)

Third-Party Fiduciary Oversight and Funds Management Services

This Request for Proposals (RFP) is for the purpose of establishing a contract with a qualified firm (or firms) to provide Third-Party Fiduciary Oversight and Funds Management Services for U.S. Department of Education Grant(s) funds received by the USVI.

GENERAL REQUIREMENTS: Prospective vendors are to submit sealed proposals, which will be opened and evaluated in accordance with the evaluation of proposals section of this solicitation.

Items to be submitted are listed in section 1.14 [SUBMISSION REQUIREMENTS] below.

SUBMISSION LOCATION: Department of Property and Procurement,
8201 Sub Base, 3rd Floor
St. Thomas Virgin Islands, 00802

SUBMISSION DATE AND TIME: **Monday, May 7, 2018 by 4:00 p.m. (Atlantic Standard Time)**
Proposals received after the time specified will not be opened.

CONTACT/QUESTIONS: Submit questions to:

Dynell R. Williams, Deputy Commissioner of Procurement
Department of Property and Procurement
8201 Sub Base, 3rd Floor
St. Thomas, Virgin Islands 00802
Phone: (340) 773-1561
Email: dynell.williams@dpp.vi.gov; and
dazarene.lescott@dpp.vi.gov

Questions are required no later than **Tuesday, April 24, 2018 by 4:00 p.m. (Atlantic Standard Time)**.

CONTENTS: All sections included in the Table of Contents, including this cover sheet, shall be considered integral of this solicitation.

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Part 1 General Information

1.1 INTENTION

The U.S. Government of the United States Virgin Islands (“GVI”) is requesting proposals from qualified Financial Management, Banking, or Certified Public Accounting (CPA) firm (s) with proven experience in providing independent fiscal management and oversight for the public sector, to provide Third-Party Fiduciary (TPF) oversight, management and administration of U.S. Department of Education (USED) grant funds to the GVI, in accordance with applicable Federal requirements. The engagement of a TPF agent by the GVI is a necessary condition for the receipt of USED grant funds and the scope of services specifically includes compliance with the requirement of Special Conditions imposed on program grant funds that are made available by USED to the GVI, as may be amended by USED.¹

The scope of these services includes, but is not limited to, administration and pre-audit of the following business processes: purchasing, contracting, accounts payable, accounts receivable, cash receipts, fixed asset accounting and management, time distribution, inventory management, reporting and record keeping, and payroll disbursement. The successful vendor will be responsible for performing financial management duties currently performed by the Virgin Islands Department of Finance (VIDF), the Virgin Islands Department of Property and Procurement (VIDPP) and the Governor’s Office for all funds provided to the Virgin Islands Department of Education (VIDE), the Virgin Islands Department of Health (VIDH) and the Virgin Islands Department of Human Services (VIDHS) by the United States Department of Education (USED). The successful vendor will be required to ensure that all such funds are received, deposited and disbursed in accordance with USED and other applicable Federal requirements, including 2 CFR 200, as well as Virgin Islands requirements and regulations.

The GVI anticipates that a contract for these services will be in place by August 1, 2018 with services to begin no later than September 1, 2018. This will ensure a “Transition Period” of six (6) to eight (8) weeks between TPFAs. Prospective vendors are required to budget all work efforts accordingly to ensure that provision of services is commenced by this date. The contract period for the services is expected to begin on the afore-mentioned date and conclude two (2) years thereafter, with two (2) one (1) year options to extend or when the GVI and VIDE are in full compliance with all the provisions originally specified in the U.S. Department of Education Departmental Special Conditions.

This RFP sets forth the requirements for the services and solicits a detailed response from prospective vendors to include a Technical Proposal and a Pricing Proposal, under separate cover.

GVI encourages respondents to this solicitation to propose alternative strategies for consideration based on previous experience or for reasons such as risk mitigation. These alternative strategies shall not conflict with the requirements of the U.S. Department of Education Departmental Special Conditions, specifically with respect to Attachment A: “Responsibilities and Requirements for the Third-Party Fiduciary Agent,” Condition #24. At a minimum, a prospective vendor must submit pricing and staffing estimates for the life of the project.

1.2 ABOUT THE UNITED STATES VIRGIN ISLANDS

The United States Virgin Islands (USVI) is an unincorporated Territory of the United States. In 1936 the United States Congress passed the Organic Act, whose provisions allow for a system of civil government. Under legislation passed

¹ Currently, the Federal Fiscal Year 2017-2018 Special Conditions

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in 1968, the Territory has been democratically electing its governor since 1970. Prior to 1970, the President of the United States appointed the Governor.

The law-making body of the USVI is a 15-member unicameral body called the Legislature of the United States Virgin Islands (the “Legislature”). The Legislature is one of the three co-equal branches of government. The other two branches are the Executive, which is headed by a Governor and is responsible for administering the laws passed by the Legislature, and the Territorial Court of the Virgin Islands, which is responsible for interpreting the laws passed.

1.3 PROJECT BACKGROUND

Since 2006, as a necessary condition for receiving certain grant funds from the U.S. Department of Education (USED), the Government of the Virgin Islands (GVI) has contracted with a Third-Party Fiduciary Agent (TPFA), to ensure that the GVI manages and administers USED grant funds in accordance with applicable Federal requirements; particularly the financial management requirements of 34 CFR Parts 75 and 76, and 2 CFR Part 200, for all USED grant awards. The contract for the current TPFA will expire on October 31, 2018. Accordingly, the GVI, by this RFP process, seeks the services of a new TPFA.

The drivers for this initiative are based on the U.S. Department of Education Departmental Special Conditions. This RFP seeks to remedy several inefficient processes identified by the USED concerning the administration of federal education grant funds by the GVI. A copy of Exhibit A of the USED FFY 2017-2018 Special Conditions is attached and the major business processes that require independent oversight because of failure to meet requirements of the USED are listed in the technical section of this document is attached and the major business processes that require independent oversight because of failure to meet requirements of the agreement are listed in the technical section of this document.

The requirements for the GVI to contract with a TPF agent and the working relationship between the GVI and the TPF agent are imposed and prescribed, as an integral part of the RFP, by the “*US Department of Education Federal Fiscal Year 2017 / 2018 Special Conditions*” (FFY 2017- 2018 Special Conditions), and any subsequent issued, and as maybe amended and supplemented by USED. The FFY 2017-2018 Special Conditions is included herewith as an integral part of the RFP.

In addition to ensuring the proper management of USED grant funds, the FFY 2017-2018 Special Conditions prescribe the requirements for the GVI to demonstrate its readiness to reassume the management of USED’s grant funds by utilizing Section G, Reconsideration and Modifications, of the Special Conditions. The USED’s stated expectation is that the TPF agent will assist the GVI to be able to regain responsibility for the effective management of the USED grant funds, without the need for TPF oversight.

1.4 TECHNOLOGY AND SYSTEM BACKGROUND

The current Credible Financial Management System (CFMS) was initiated with the implementation of the Tyler Munis ERP, which commenced on October 1, 2006 with several “Core” modules (i.e., Purchasing / Requisitions, Accounts Payable, Cash Receipts, Treasury Management, General Ledger, Budgeting and Fixed Assets) which served to gradually minimize the deficiencies of the internal control structure of the GVI. These Core modules, which conform to Generally Accepted Accounting Principles (GAAP), along with the training of GVI personnel to utilize the capabilities of the Tyler Munis ERP system, as well as documented policies and procedures, have improved the effectiveness of the GVI’s internal control structure dramatically. The Tyler Munis ERP is recognized as the GVI’s “system of record”.

1.5 PROJECT FUNCTIONAL SCOPE

The GVI is soliciting proposals for fiduciary oversight and funds management services that meet the requirements set

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forth in this Request for Proposal (RFP), including FFY17-18 of the U.S. Department of Education Departmental Special Conditions and any subsequently issued conditions. The purpose of the RFP is to provide interested prospective vendors with sufficient information to enable them to develop and submit proposals for services that will fulfill the specified requirements of the GVI and the USED. The scope of services specifically includes fulfilling the requirements, responsibilities and purposes of the Special Conditions and particularly as outlined in Attachment A. *“Responsibilities and requirements for the Third-Party Fiduciary Agent.”* **The “U.S. Virgin Islands, Virgin Islands of Department of Education, Virgin Islands Department of Health, Virgin Islands Department of Human Services, and Federal Fiscal Year (FFY) 2017 and 2018 Special Conditions (and any subsequently issued) is an integral part of this RFP.** The scope of the oversight services includes, but is not limited to, the following functionality:

- General Ledger/Budget Control of Grant Funds
- Purchasing
- Accounts Payable
- Accounts Receivable
- Cash Receipts
- Grant Accounting and Reconciliation
- Fixed Assets
- Inventory Management
- Payroll Processing
- Time Distribution

1.6 PROJECT OBJECTIVES

The project’s objectives cover all aspects of the Special Conditions (issued yearly) as defined in the scope of work. However, a crucial goal of the project is to provide improved controls for all the processes detailed in the Special Conditions and to achieve more effective and efficient business and financial operations throughout the GVI. The following lists some of the major objectives that GVI is looking for from the prospective vendor:

- Provide strict financial controls over all USED grant funds provided to the GVI.
- Demonstrate a strong past performance record in performing the desired services.
- Ensure that sufficient personnel are available, with the necessary skills and expertise in the financial management functions included in this RFP, to perform the desired services.
- The ability to scale operations to accommodate any increase in workload.
- Perform monthly and quarterly account reconciliations and provide supporting financial statements and reports in support of the reconciliations to the VIDE, GVI, and USED as required.
- Access the USED G5 system for providing oversight of funds drawn, by VIDE, VIDH, and VIDHS, to an account(s) the successful vendor will control and ensure proper distribution and allocation of the funds.
- Prevent the potential lapsing of available funds by identifying the appropriate timeframes to draw down funds from G5 as well as the proper allocation of these funds.
- Distinguish, if necessary, between direct and indirect costs associated with administering VIDE, VIDH, and VIDHS program funding and ensure accurate methods are used to correctly allocate funds between these two cost categories and others as necessary-
- Establish an approach to process and turnaround requests from the client entity VIDE for services, whether it is the ordering of materials or services, within 48 hours for small purchases and within 5 days for large purchases (i.e. computers, etc.).
- Process payment to prospective vendors for goods or services delivered within 48-72 hours of receipt of

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invoices, either via paper draft or electronic funds transfer (EFT). Preference would be for EFT to establish a pattern of prompt payment.

- Provide financial status information on a random basis to USED and/or other oversight entities.
- Manage the procurement, labeling (bar-codes), and inventory management and tracking of large value items (equal to and greater than \$5,000 in accordance with the requirements of 2 CFR 200.213 (a) and (c)-(e) on behalf of the VIDE. Explore the potential and timeframe necessary to increase this capability to include items between \$500 up to \$5,000.
- Monitor procurement and financial processing through encumbrance, pre-encumbrance, bid/quote and contract management.
- Provide dollar limit validations as well as line item budget comparisons to prevent over limit spending and non-allowable grant spending.

1.7 GUIDELINES

By submitting a proposal, interested parties are acknowledging:

- 1.7.1 Selection of the vendor to provide these services will require the concurrence and approval of the United States Department of Education.
- 1.7.2 This RFP is a request for Third-Party Fiduciary Oversight and Funds Management Services. As such, proposals that do not include both of the above services as requested will not be considered. Firms that do not provide all the services detailed in the scope of services are expected to partner with another firm(s) that, as a whole, can satisfy all the requirements of the project scope.
- 1.7.3 The GVI reserves the right to reject any or all proposals if it determines that select proposals are not responsive to the RFP or if the proposals themselves are judged not to be in the best interests of the GVI. The GVI reserves the right to reconsider any proposal submitted at any phase of the procurement. It also reserves the right to meet with prospective vendors at any time to gather additional information.
- 1.7.4 The GVI expects to enter into a single professional services agreement with the main firm submitting the proposal. If the GVI is not satisfied with the qualifications, cost, or experience of any Third-Party sub-contractors, it reserves the right, to request that the prime firm provide another partner for the subcontracted services. All firms submitting proposals, by virtue of doing so, are recognizing that the GVI retains this option.
- 1.7.5 All prospective vendors submitting proposals agree that their pricing is valid for a minimum of one year after proposal submission to the GVI.
- 1.7.6 To maintain fairness in the process, all inquiries concerning this procurement are to be directed only to:

Dynell R. Williams, Deputy Commissioner of Procurement
Department of Property and Procurement
8201 Sub Base, 3rd Floor
St. Thomas, Virgin Islands 00802
Phone: (340) 773-1561
Email: dynell.williams@dpp.vi.gov; and
dazarene.lescott@dpp.vi.gov

Attempts to contact the GVI Executives, Legislators, Managers, employees, or other external prominent or interested parties to influence the procurement decision will lead to immediate elimination from

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further consideration.

When responding to this RFP, please follow all instructions carefully. Please submit proposal contents according to the outline specified and submit all hard copy and electronic documents according to the instructions. Failure to follow these instructions may be considered an unresponsive proposal and may result in immediate elimination from further consideration.

1.8 NEGOTIATIONS

GVI reserves the right to negotiate with successful vendor if necessary or appropriate to accomplish the purpose of this RFP. The successful vendor shall be defined as the vendor that receives final approval and concurrence by the U.S. Department of Education.

1.9 CONFIDENTIALITY

The GVI shall examine the proposals to determine the validity of any written requests for non-disclosure of trade secrets and other proprietary data identified. After award of the contract, all responses, documents, and materials submitted by prospective vendors pertaining to this RFP will be considered public information and will be made available for inspection, unless otherwise determined by the Commissioner of Property and Procurement. All data, documentation and innovations developed as a result of these contractual services shall become the property of the GVI. Based upon the public nature of this RFP, a prospective vendor must inform the GVI, in writing, of the exact materials in the offer, which cannot be made a part of the public record.

All data and information gathered by the vendor and its agents, including this RFP and all reports, recommendations, specifications, and data shall be treated by the vendor and its agents as confidential. The vendor and its agents shall not disclose or communicate the aforesaid matters to a Third-Party or use them in advertising, publicity, propaganda, and/or in another job or jobs, unless written consent is obtained from the GVI.

1.10 RESERVED RIGHTS

GVI reserves the right, at any time and for any reason, to cancel this Request for Proposal or any portion thereof, to reject any or all proposals, or to accept an alternate proposal. The GVI reserves the right, to waive any immaterial defect in any proposal. The GVI may seek clarification from a prospective vendor at any time. Prospective vendor's failure to respond promptly will be cause for rejection. The GVI may require submission of best and final offers.

1.11 INCURRED COSTS

Those submitting proposals do so entirely at their expense. There is no expressed or implied obligation by the GVI to reimburse any individual or firm for any costs incurred in preparing or submitting proposals, for providing additional information when requested by the GVI or for participating in any selection interviews, including discovery (pre-contract negotiations) and contract negotiations.

1.12 DISCUSSION OF PROPOSALS

GVI may conduct discussions with any vendor who submits a proposal. During the course of such discussions, the GVI shall not disclose any information derived from one proposal to any other vendor.

1.13 ISSUING AGENT

The GVI's Department of Property and Procurement is issuing this RFP. Prospective vendors are specifically directed NOT to contact any GVI personnel, other than specified personnel identified in this RFP, for meetings, conferences or technical discussions that are related to the RFP. Unauthorized contact of any GVI personnel will be cause for rejection of the vendor's RFP response. The actual decision to select a proposal is solely that of the Government of the United States Virgin Islands.

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All communications regarding this RFP process should be directed to:

Dynell R. Williams, Deputy Commissioner of Procurement
Department of Property and Procurement
8201 Sub Base, 3rd Floor
St. Thomas, Virgin Islands 00802
Phone: (340) 773-1561
Email: dynell.williams@dpp.vi.gov; and
dazarene.lescott@dpp.vi.gov

1.14 SUBMISSION REQUIREMENTS

To facilitate evaluation of proposals-all requested materials shall be submitted to the address shown below.

Mailing Address:

Lloyd T. Bough, Jr., Commissioner
Department of Property and Procurement
8201 Sub Base, 3rd Floor
St. Thomas, Virgin Islands 00802

Please use the following checklist to ensure that you are submitting a complete proposal. Additionally, please ensure that all electronic files are clearly identified with your business name and address.

- One copy of the entire proposal need to be submitted electronically (on CD-ROM or USB only)
- Six (6) sets of the proposal (1 original and 5 copies; including hard copies of costs), presented in a professional manner, are to be submitted.

The original submission shall be clearly marked “original”. **Proposals must be received no later than 4:00 p.m. (Atlantic Standard Time) on Monday, May 7, 2018.** The vendor’s name and address must be marked clearly on the proposal submission. Late proposals will not be considered and will be returned to the vendor unopened. The official receipt of the proposal is based upon the date and time stamp issued by the GVI Department of Property and Procurement.

Proposals received prior to the time of the opening will be securely kept, unopened. No responsibility will be attached to the GVI for the premature opening of a proposal not properly addressed and identified. The GVI cautions prospective vendors to assure actual delivery of mailed or hand-delivered proposals directly to the GVI’s Department of Property and Procurement prior to the established deadline.

Prospective vendors who do not provide this information in their proposal will not be short-listed for interviews until this information is received or may be eliminated from further evaluation.

1.15 ACCEPTANCE

Submission of any proposal indicates a vendor’s acceptance of the conditions contained in this RFP unless clearly and specifically noted otherwise in the proposal.

1.16 INTERPRETATIONS, DISCREPANCIES, OMISSIONS

Should any vendor find discrepancies, omissions or ambiguities in this RFP, the vendor shall at once request in writing an interpretation from the GVI’s Project Manager. All questions will be answered to the extent possible in the form of addenda to the specifications. The addenda will be posted to the Department of Property and Procurement’s website, <https://dpp.vi.gov/>, within one week following the deadline for questions. Interpretation, corrections or changes made

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in any other manner will not be binding. All written requests for clarification should be addressed to Dynell R. Williams, Deputy Commissioner of Procurement of the Department of Property and Procurement at dynell.williams@dpp.vi.gov, and Dazarene Lescott at dazarene.lescott@dpp.vi.gov by **4:00 P.M. Atlantic Standard Time on Tuesday, April 24, 2018**.

The GVI will conduct vendor interviews with only select prospective vendors that meet the evaluation criteria in this RFP. *Note: Questions will be distributed to prospective vendors that have submitted proposals approximately 5 business days in advance of the interviews.*

1.17 PRE-PROPOSAL QUESTIONS

Questions regarding the RFP will be accepted until 4:00 PM (Atlantic) on Tuesday, April 24, 2018, and should be directed to:

Dynell R. Williams, Deputy Commissioner of Procurement
Department of Property and Procurement
8201 Sub Base, 3rd Floor
St. Thomas, Virgin Islands 00802
Phone: (340) 773-1561
Email: dynell.williams@dpp.vi.gov; and
dazarene.lescott@dpp.vi.gov

Responses of the GVI to all vendor questions will be included in a formal addendum to the RFP that will be issued within 5 business days of the above cutoff date. Receipt of all addenda to this RFP should be acknowledged by returning a signed copy of each addendum to the response.

1.18 REJECTION

The GVI reserves the right to reject any and all proposals, to waive any informality in proposals received, to accept or reject any or all of the items in the proposal, and to award the contract in whole or in part and/or negotiate any or all items with individual prospective vendors if it is deemed in the GVI's best interest. Moreover, the GVI reserves the right to make no selection if proposals are deemed to be outside the fiscal constraint or against the best interests of the GVI.

The GVI reserves the right to negotiate separately with any prospective vendors after the opening of the response to this RFP when such action is considered in its best interest. Subsequent negotiations may be conducted, but such negotiations will not constitute acceptance, rejection, or a counteroffer on the part of the GVI.

1.19 AWARD

Award shall be made by the GVI to the vendor whose proposal is determined to be the most advantageous to the GVI, based on the evaluation criteria set forth herein.

Part 2 Terms and Conditions

2.1. INDEMNIFICATION

The Contractor agrees to protect, defend, indemnify and hold GVI, its officers, officials, agents, and employees, (hereafter 'the Indemnified Parties'), free and harmless from and against any and all claims, damages, demands, injury or death, in consequence of granting the Agreement or arising out of or being in any way connected with the Contractor's performance or lack thereof under the Agreement except for matters shown by final judgment to have been solely caused by or attributable

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to the gross negligence or intentional wrongful act of the Indemnified Parties. The indemnification provided herein should be effective to the maximum extent permitted by applicable law. This indemnity extends to all legal costs including without limitation; attorney's fees, costs, liens, judgments, settlements, penalties, professional fees or other expenses incurred by the GVI. This indemnification is not limited by any amount of insurance required under the Agreement and shall cover the cost of defense of any claim of liability within the scope of the indemnity whether or not such claim is meritorious. The Contractor shall be solely responsible for the defense of any and all claims, demands or suits against the Indemnified Parties including without limitation, claims by employees, subcontractors, agents, or servants of The Contractor provided that GVI shall have the right to designate separate counsel to defend GVI in which event the fees and expenses of such counsel shall be paid by the Contractor.

The Contractor shall promptly provide, or cause to be provided, to GVI and GVI counsel copies of any such notices as they may receive of any claims, actions or suits as may be given or filed in connection with the Contractor's or any subcontractor's performance of the Agreement and for which the Indemnified Parties may claim indemnification hereunder and give the Indemnified Parties authority, information, and/or assistance for the defense of any claim or action.

2.2. RETENTION OF VENDOR MATERIAL

All documents, records, programs, printouts and memoranda of every description derived there from and pertaining to this RFP shall become property of the USVI and shall be turned over to it as stipulated in the RFP.

2.3. CERTIFICATE OF INDEPENDENT PRICE DETERMINATION

By submission of a proposal, each prospective vendor certifies, that in connection with this procurement:

2.3.1. The prices in this proposal have been arrived at independently, without consultation, communication, or agreement with any other prospective vendor; with any competitor; or with any GVI employee(s) or consultant(s) for the purpose of restricting competition on any matter relating to this proposal.

2.3.2. Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the prospective vendor and will not knowingly be disclosed by the prospective vendor prior to award directly or indirectly to any other prospective vendor or to any competitor.

2.3.3. No attempt has been made or will be made by the proposer to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

2.4 INSURANCE COVERAGE

- A. Contractor agrees to procure and maintain in effect insurance policies in the amount and with the type of coverage shown below.
1. Workers Compensation insurance in the form and amount required by the law of the Government of the Virgin Islands.
 2. Commercial General Liability insurance on an "Occurrence Basis" with limits of liability not less than \$1,000,000 per occurrence and/or Combined single-limit bodily injury and property damage. An "**Endorsement Page**" naming the GVI as an added insured must be provided.
 3. Motor Vehicle Liability, including No-Fault coverage, with limits of liability not less than \$500,000 per occurrence and/or aggregate combined single limit, personal injury, bodily injury and property damage. Coverage shall include all non-owned vehicles and, all hired vehicles.
 4. Professional Liability insurance in a form acceptable to the Government and with a limit of liability of not less than \$1,000,000. Must indicate the GVI is a "**Certificate Holder**" on the policy.

2.5 PAYMENT TERMS

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Services will be paid for on a monthly basis when the contracting firm has satisfactorily presented precise records concerning performance, as will be defined contractually.

2.6 LIMITATION ON LIABILITY

Notwithstanding anything to the contrary, the parties expressly agree that Contractor's liability under this Contract is limited to claims paid by the Contractor's insurance coverage described under Insurance Coverage. Further, notwithstanding anything herein to the contrary, the Government expressly acknowledges and recognizes that (i) Contractor's role is to provide information, analysis, and advisory services; (ii) the decision on software and services vendor(s) is solely that of the Government; and (iii) contractor bears no responsibility for the performance of the software, hardware, or implementation services provider.

2.7 CONTRACTOR PROJECT PERSONNEL

The vendor will maintain project personnel on the project from beginning to end (e.g., contractor project personnel will not be removed from the project without GVI approval). The GVI will adopt contractual provisions that provide disincentive for removing project personnel from the GVI's project. Contractor's off island project personnel is required to be on site, in the U.S. Virgin Islands, for not less than 15 business days per month.

2.8 LIMITS ON SUBCONTRACTORS FOR IMPLEMENTATION

The GVI has approval rights over the use of all subcontractors. A copy of the proposed subcontract must be filed with the GVI. Proposing firms must conform to all other standard GVI policies regarding subcontractors.

2.9 SERVICES AND STATEMENT OF WORK

"Services" means all work performed by the Vendor for the GVI as agreed to in writing under the Services Agreement. Such Services are set forth in section 3.3, the Statement of Work ("SOW"). The intent of the Services Agreement is for the Services to be completed in the detail described in the Statement of Work, which is attached to, and part of the Services Agreement. Except as otherwise explicitly stated in the Services Agreement, vendor will furnish all labor, materials, equipment, products, tools, transportation, and supplies required to complete the Services. Vendor will provide Services to the GVI as required in the Services Agreement and the Statement of Work. Any additional Services will be mutually agreed to in writing by each party through the Change Order process.

2.10 JURISDICTION, VENUE, CHOICE OF LAW

This RFP and any contract resulting there from shall be governed by and construed according to the laws of the United States Virgin Islands. Jurisdiction and venue shall be exclusively found in the Court of the Government of the Virgin Islands.

2.11 RESPONSIBILITY AND DEFAULT

The vendor shall be required to assume responsibility for all items listed in this Request for Proposals. The successful proposer shall be considered the sole point of contact for purposes of this contract.

2.12 PROFESSIONAL STANDARDS

The Vendor agrees to maintain the professional standards applicable to its profession such as GAAP and to contractors doing business in the USVI.

2.13 LICENSURE

The firm or individual shall submit with their proposal evidence (e.g. business license) that said firm or individual can legally conduct business. Upon award, the contractor will be expected to obtain all of the applicable licenses or permits, temporary or otherwise, as required by Title 27 of the Virgin Islands Code. The applicable license or permits can be found on the Department of Licensing and Consumer Affairs (DLCA) website at <http://dlca.vi.gov/businesslicense/steps.htm>.

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2.14 TERMINATION

The GVI reserves the right, to terminate this contract, or any part of this contract, upon thirty (30) days written notice. In case of such termination, the vendor shall be entitled to receive payment from the GVI for work completed to date in accordance with the terms and conditions of this contract. In the event that this Contract is terminated due to Contractor's default, the GVI shall be entitled to purchase substitute items and/or services elsewhere and charge the vendor with any or all losses incurred, including attorney's fees and expenses.

2.15 OWNERSHIP OF INFORMATION

All information pertaining to records, property, financial, or other information acquired under the scope of this contract shall be strictly confidential and the sole property of the GVI. The vendor shall return all information to the GVI upon termination, and/or request and shall not utilize any of the information for purposes outside of the scope of this contract or without express approval of the GVI.

2.16 CONFLICT OF INTEREST

A vendor filing a proposal hereby certifies that no officer, agent or employee of GVI has a pecuniary interest in this proposal or has participated in contract negotiations on behalf of GVI; that the proposal is made in good faith without fraud, collusion or connection of any kind with any other vendor for the same request for proposals; the vendor is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.

Part 3 Detailed Submittal Requirements

3.1. GENERAL REQUIREMENT

In order to facilitate the analysis of responses to this RFP, prospective vendors are required to prepare their proposals in accordance with the instructions outlined in this part. Proposals should be prepared as simply as possible and provide a straightforward, concise description of the vendor's capabilities to satisfy the requirements of the RFP. Emphasis should be concentrated on accuracy, completeness, and clarity of content. All parts, pages, figures, and tables should be numbered and clearly labeled.

Prospective vendors are required to follow the outline below when preparing their proposals: **[RENUMBER ITEMS BELOW – Statement of Work added per Section 2.9 above]**

Section Title

	Title Page
	Letter of Transmittal Table of Contents
1.0	Executive Summary
2.0	Scope of Services
3.0	Statement of Work
4.0	Communication to the Enterprise Resource Planning System
5.0	Company Background
6.0	Financial Management Reporting
7.0	Systems Integration
8.0	Fiduciary Oversight Services Plan
9.0	Change Management
10.0	Client References
11.0	Cost Proposal (<u>under separate cover</u>)
12.0	Exceptions to the RFP
13.0	Sample Documents

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Instructions relative to each part of the response to this RFP are defined in the remainder of this section.

3.2. EXECUTIVE SUMMARY

(Section 1.0) This part of the response to the RFP should be limited to a brief narrative highlighting the vendor's proposal. The summary should contain as little technical jargon as possible and should be oriented toward non-technical personnel. This section should not include cost quotations. Please note that the Executive Summary should identify the primary contacts for the services vendor and any Third-Party prospective vendors.

A "Transition Implementation Plan" was submitted to USED on September 1, 2015; therefore, the successful vendor will work with the GVI to expand on and implement a plan to demonstrate to USED at the appropriate time its readiness to transition out of TPF oversight. Accordingly, the successful vendor will be expected at the appropriate time to propose a credible, practical approach to such a transition by coordinating efforts with the Self-Contained Model (SCM) aka Federal Grants Specialized Processing Unit (FGSPU), of the Office of Management and Budget as outlined in item #24 of the Sample Professional Services Contract.

The successful vendor will have demonstrated through its proposal that it has:

1. a full understanding of the purpose and scope of the required services, specifically including the requirements of the Special Conditions imposed by USED;
2. the human capability (by education, training and experience) and capacity (human resources) to fulfill the project scope and requirements successfully;
3. a credible approach to positioning the GVI to regain fiscal management responsibility for USED grant funds, without the need for Third-Party Fiduciary oversight.

3.3. SCOPE OF SERVICES

(Section 2.0) This section of the proposal shall include a general discussion of the proposer's understanding of the "overall" project, the timetable, the scope of services proposed, and a summary of the proposal's major assumptions.

Additionally, based on the prospective vendor's knowledge of the GVI's needs, prospective vendors are invited to propose additional options/scenarios that they believe may be of benefit to the GVI.

3.3.1 STATEMENT OF WORK

(Section 3.0) To assist the GVI in shaping the project scope, the prospective vendor shall provide a response that will explain in detail that the prospective vendor can provide the required services to achieve that goal. Any solution proposed must include appropriate internal control methodologies that are compliant with appropriate accounting principles.

The responsibilities and requirements for the Third-Party Fiduciary Agent are as follows:

Attachment A
Responsibilities and Requirements for the Third Party Fiduciary Agent
(to be incorporated into any contract for services with the Agent)

1. The Agent must work cooperatively and in a timely manner with the Virgin Islands, VIDE, VIDH, and VIDHS to implement the activities and responsibilities described in these special conditions. The Agent acknowledges that

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regular communication among the Virgin Islands, the Department, and the Agent is necessary to ensure proper financial management of grant funds, consistent with approved grant applications, budgets, and applicable program statutes, regulations and the cost principles in 2 CFR Part 200, Subpart E. Therefore, the Agent understands and agrees that, as the Department deems necessary and appropriate, the Department shall include the Agent in communications, both written and oral, between the Virgin Islands and the Department.

2. The Agent's role encompasses financial management responsibilities concerning the grants, including, but not limited to, processing payments and disbursements, maintaining financial records, financial reporting, instituting and applying procurement, inventory, and payroll procedures that comply with applicable Federal requirements, and other duties as more fully described below. In addition, with respect to the Consolidated Grant, the Agent agrees to provide assistance to VIDE as it prepares the budgets that accompany the annual Consolidated Grant application.
3. For purposes of the IDEA Part C FFY 2002 through 2017 grants, the Agent is responsible only for the property procurement and management functions that are required to be performed under the Uniform Guidance at 2 CFR Part 200 (including 2 CFR 200.311, 200.313, 200.314, and 200.318-200.326) by VIDPP, and any financial management functions needed to be performed by VIDF for the IDEA Part C grants, and which are not being performed already under the contract between VIDH and LSS. Because VIDH's IDEA Part C grants for FFYs 2002 through 2017 include special conditions requiring the use of a third party fiduciary agent (LSS) that carries out VIDH's financial management and recordkeeping responsibilities in accordance with the applicable provisions of IDEA Part C and EDGAR, the Agent (BCA) performing services under these Department-wide special conditions is not required to assume responsibilities other than the responsibilities described above in this subsection. The Department's grant awards to VIDH under IDEA Part C for FFYs 2002 through 2017 include special conditions requiring VIDH to use LSS to ensure the continued fiscal accountability of IDEA Part C funds and the timely payment of early intervention service providers for the timely provision of IDEA Part C services to infants and toddlers with disabilities and their families. In addition, VIDH's IDEA Part C grant funds may not be used to pay any costs charged by the Agent (BCA) to the Virgin Islands or VIDH under the contract between the Virgin Islands and the Agent (BCA).
4. The Virgin Islands, VIDE, or VIDHS, prior to any drawdowns or disbursements, must provide the Agent with a line item budget for the total amount of each grant and subgrant, if applicable, that has been approved and verified by the Department. The line item budget must include amounts for State administration, State-level program activities, and LEA program activities. For purposes of the Consolidated Grant, the Virgin Islands and VIDE must provide the Agent with line item budgets for each of the programs under which the Virgin Islands and VIDE will use Consolidated Grant funds. The line item budget for each of these programs must be based on the total amount of Consolidated Grant funds to be used for each program and include amounts for State administration, State-level program activities, and LEA program activities. The Agent must use these line item budgets to track projected and actual expenditures for the programs under the grants. The Agent must ensure that the expenditures proposed are only for allowable costs under each grant. The Agent will also receive from the Department copies of the applications, budgets, and budget narratives that the Department has approved for the Virgin Islands' grant awards to ensure that the Agent has these documents for purposes of executing its financial management responsibilities on behalf of the Virgin Islands under these grants.

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5. The Agent must establish, maintain, and manage a separate bank account for all of the funds under the grants from the Department. The Agent must provide the Virgin Islands, VIDE, and VIDHS, as appropriate, with written notice (e.g., copy of invoice) of when funds are needed for a disbursement under a particular grant.
6. The Agent must acknowledge that the Virgin Islands, VIDE, and VIDHS have drawdown authority and that they understand and agree that they must draw down funds and provide any applicable matching funds to the Agent within 24 hours of receipt of the written notice from the Agent. Failure by the Virgin Islands, VIDE, or VIDHS to comply with this condition concerning the time within which they must draw down funds may result in the Department requiring the transfer of drawdown authority to the Agent for that entity. In the event of the Virgin Islands', VIDE's, or VIDHS' failure to draw down funds in accordance with this condition, the Agent must notify the Department, and the Department will determine whether drawdown authority must be transferred to the Agent. If so, then immediately upon written notice of this decision from the Department, the Virgin Islands, VIDE or VIDHS, as appropriate, must take all steps necessary to provide the Agent with full authority to perform drawdowns, including providing any information and authorization that the Department needs to recognize the Agent as the entity with drawdown authority.
7. The Agent must use fiscal control and accounting procedures that meet the requirements imposed on non-Federal entity grantees in accordance with 2 CFR 200.302, 200.303, and 200.305(b).
8. The Agent must expend funds only for costs that are allowable under the respective grant programs, in accordance with 2 CFR Part 200, Subpart E. Additionally, for purposes of the Consolidated Grant, the Agent must expend funds only for allowable costs under, and included in, each Department-approved Consolidated Grant plan from FFYs 2007 through 2016. If the Agent questions whether an expenditure is allowable, the Agent must raise this question with the appropriate entity, the Virgin Islands, VIDE, or VIDHS. If the Agent deems it necessary, the Agent may also request assistance from the Department in determining the allowability of any expenditure.
9. The Agent must determine the value of any in-kind property or services donated to or provided by the Virgin Islands, VIDE, and VIDHS that are used to meet cost sharing or matching requirements as required by 2 CFR 200.306 and must maintain records sufficient to document the bases for those valuations.
10. The Agent must take steps to prevent the lapsing of funds available under the grants, including ensuring timely disbursement of funds through the use of methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement of those funds as specified in the Virgin Islands' Treasury-State agreement, as required under the Cash Management Improvement Act and Treasury regulations at 31 CFR Part 205. For grant funds not included in the Virgin Islands' Treasury-State agreement, the Agent must meet the requirements in 2 CFR 200.305(b). The Virgin Islands, VIDE, VIDHS, and the Agent must coordinate the timing of drawdowns and disbursements to ensure that payments to staff, vendors and providers are prompt and timely. To the greatest extent feasible, the Virgin Islands, VIDE, VIDHS, or the Agent, if it has undertaken drawdown responsibility, must draw down funds in a timely manner so that funds under the grants are deposited to the separate bank account maintained by the Agent on the same day that funds are drawn from the account to liquidate obligations under the grants. The Agent must ensure that any interest earned on grant funds not subject to the Treasury-State agreement is repaid annually, as required by 2 CFR § 200.305(b)(9).

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11. The Agent must charge Department grants only for costs resulting from obligations that were properly made during the period of availability for the funds, including any carryover period. To ensure against the lapsing of Department funds, the Agent must liquidate obligations no later than 90 days after the end of the funding period or during any extension of that period authorized by the Department, in accordance with 2 CFR §200.343(b).
12. The Agent may seek approval from the Department to charge allowable pre-award costs incurred by the Virgin Islands, VIDE, or VIDHS against any grant award from FFY 2002 through 2017 to which these special conditions apply. The Agent must submit any request for pre-award costs to the Department in writing and may not reimburse any pre-award costs unless it receives written approval from the Department.
13. The Agent must establish and maintain a process for tracking and reporting time and effort spent by all employees whose salaries are paid under ED grants, including distribution of time among different funding sources for split-time employees, and for properly allocating salary costs among ED grants, based on records that accurately and properly record the distribution of each employee's work on multiple cost objectives, the time the employee attends work, and, for those employees who work on a single cost objective, semiannual certifications. The Agent must carry out these responsibilities consistent with Federal requirements in 2 CFR Part 200, Subpart E, and more specifically, 2 CFR 200.430 and 200.431.
14. In disbursing funds for allowable costs under the grants, the Agent must distinguish between direct and indirect costs and use accurate methods to allocate funds correctly between these two cost categories. The Agent must ensure that the charging of direct and indirect costs against the respective Department grants is consistent with the applicable restricted and unrestricted indirect cost rates negotiated with, and approved by, the U.S. Department of Interior (the Virgin Islands' cognizant Federal agency), and that copies of any indirect cost rate proposals or agreements comply with the applicable requirements of 2 CFR Part 200, Subpart E, and 34 CFR 75.560-564 (discretionary grants) and 34 CFR 76.560-569 (formula grants).
15. The Agent must establish contacts and working relationships with prospective vendors that can provide goods and services that the Virgin Islands, VIDE, and VIDHS need under the grants. The Virgin Islands, VIDE, and VIDHS must give the Agent authority to enter into contracts with vendors on behalf of the Virgin Islands, VIDE, VIDHS, and, as appropriate, VIDH, and in doing so, must comply with the provisions for procurement set forth in 2 CFR 200.318-200.326.
16. Within 24 hours of the Agent's receipt of a vendor invoice, the Agent must provide a copy of the invoice to the Virgin Islands, VIDE, VIDHS, or, as appropriate, VIDH, and ensure that the goods or services delivered are available for inspection and acceptance or rejection by the appropriate Virgin Islands, VIDE, VIDHS, or, as appropriate, VIDH, staff requesting the goods or services. The Agent must pay vendors for the delivered goods or services and must, to the extent reasonably possible, disburse funds to the vendors on the same day that funds are deposited into the separate bank account(s) maintained by the Agent. The Agent must make payments by electronic funds transfer (EFT) or by paper draft only if EFT is not available or possible for a particular vendor.
17. The Agent must manage all tangible personal property procured under the grants, with a purchase price of \$500 or greater, in accordance with the requirements of 2 CFR §§ 200.313(a) and (c)-(e). In particular, the Agent must establish and maintain a process for managing such property consistent with the requirements of 2 CFR 200.313(d), including reconciling the inventory conducted by the Virgin Islands under Section ILA, 1 8 of these special conditions with existing property records;

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developing a system for maintaining property records and for identifying property acquired with ED grant funds; and establishing a control system to prevent loss, damage, or theft of the property.

18. The Agent must maintain records that fully show the amount of funds made available under each of the grants; how the Virgin Islands, VIDE, or VIDHS uses the funds; the total cost of each project; the share of that cost provided from other sources; and other records to facilitate an effective audit, in accordance with 34 CFR 75.730 (discretionary grants) and 76.730 (formula grants). The Agent, acting on behalf of the Virgin Islands, VIDE and VIDHS, must retain records in accordance with the provisions of 2 CFR §200.333.
19. In general, the Agent must use fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for, Federal funds, in accordance with 34 CFR §75.702 (discretionary grants), 76.702 (formula grants), and 2 CFR 200.302, 200.303, and 200.305(b).
20. The Agent must maintain insurance as required under the terms of the contract.
21. All transactions under the contract between the Virgin Islands and the Agent must be consistent with all applicable Federal requirements, including the Uniform Guidance at 2 CFR Part 200 and EDGAR at 34 CFR Pans 75 or 76, as appropriate.
22. The Agent must comply generally with the requirements of 2 CFR 200.327. More specifically, the Agent must produce quarterly reports concerning financial transactions of the Virgin Islands, VIDE, and VIDHS for submission to those entities and the Department, detailing for each grant awarded to the Virgin Islands, VIDE, and VIDHS, including for each individual program for which the Virgin Islands and VIDE are using Consolidated Grant funds: a) the date of receipt, and the amount, of each approved payment request; b) the date and amount of each draw down deposit; c) the date and amount of each payment or disbursement by the Agent; and d) any interest or other funds remaining in the account at the end of the quarter. These amounts must also be grouped by and comparable with the projections in the line item budgets described above in Section II.A.7 and must be reconciled with the Department's G5 system. This reconciliation must include drawdown dates, drawdown amounts and available balances, by award. These reports shall be due within 10 working days after the end of each quarter.
23. The Agent must work with the Virgin Islands, VIDE, VIDHS, VIDF, and VIDPP to assist in the training of employees and to provide transition assistance (including, but not limited to, transferring all necessary data from the Agent to the new CFMS, communicating information from the Agent to the contractor implementing the new CFMS, and providing feedback to the Virgin Islands, VIDE, and the Department on the Virgin Islands' implementation of the new CFMS), as the Virgin Islands implements and transitions staff to the new CFMS.
24. The Agent is responsible for managing and administering Department grant funds awarded to the Virgin Islands, VIDE, VIDHS, and, as appropriate, VIDH, in accordance with these special conditions. The Agent's role and responsibilities under these special conditions do not include oversight of any current and/or proposed fiscal initiatives of the Virgin Islands, including, but not limited to, the proposed FGSPU/SCM. The Agent may assist the Virgin Islands with the implementation of the FGSPU/SCM and/or other similar financial management capacity building efforts, to the extent that this assistance does not compromise the execution of its responsibilities under these special conditions.

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25. The Agent recognizes that, except as noted herein, the Virgin Islands, VIDE, VIDH, and VIDHS must comply with all applicable provisions of EDGAR, and all actions that the Agent takes on their behalf in accordance with services provided under these special conditions, must be in compliance with all applicable provisions of EDGAR.

3.4. UTILIZATION OF THE ENTERPRISE RESOURCE PLANNING SYSTEM (ERP)

(Section 4.0) The GVI operates its management functions under specific laws and regulations for financial, human resources, procurement and record keeping in compliance with federal grant funding obligations. To comply with the comprehensive mandates of the regulatory requirements, GVI has procured an ERP system that provides streamlined data entry, on-demand access to information and historical data, and comprehensive management reporting features in compliance with all applicable laws and regulations. The proposed services and any business process redesign that results from the services must utilize the ERP system currently in use by the current Third-Party Fiduciary Agent, Tyler Munis ERP v11.2.

3.5. COMPANY BACKGROUND

(Section 5.0) Vendor must provide the following information about its company so that the GVI can evaluate the vendor's stability and ability to support the commitments set forth in the response to the RFP. The GVI, at its option, may require a vendor to provide additional support and/or clarify requested information.

- Amount of time the company has been in business.
- A brief description of the company size and organizational structure.
- Amount of time and what experience vendor has in the public sector, particularly public-sector clients of similar size and complexity to the GVI.
- Most recent audited financial statements.
- List of public sector customers for whom the prospective vendor has provided similar services by name and by state. (Territorial or State government customers are to be listed first.) The number and type of processes managed should also be included.
- Any other materials including but not limited to letters of support or endorsement from clients which demonstrate the vendor's capabilities. **Letter(s) must be notarized.**

3.6. FINANCIAL MANAGEMENT REPORTING

(Section 6.0) The prospective vendor must perform monthly and quarterly account reconciliations and provide supporting financial statements and reports in support of the reconciliations to the VIDE, GVI, and USED as required. Address financial reporting in the proposal consistent with the requirements of the Code of Federal Regulations, known as 2 CFR 200, and provide examples of control reports delivered as part of the prospective vendor's Third-Party fiduciary duties.

3.7. SYSTEMS INTEGRATION

(Section 7.0) Detail the ability to electronically transfer all necessary data from the system used by the current TPF agent, Tyler Munis ERP v11.2, to the Financial Management System of the GVI (ERP). Discuss the ability to provide the GVI with read-only access to view financial data in the system used by the current TPF agent.

3.8. FIDUCIARY OVERSIGHT SERVICES PLAN

(Section 8.0) The proposer must provide a detailed plan for providing the proposed services.

This information MUST include:

- Detailed methodology for Third-Party fiduciary oversight services. Methodology shall include estimated timeframes for ensuring business process controls, any assumptions, and assumed responsibilities.
- Project organization chart showing vendor staff for the project. Ensuring sufficient personnel are available, with the

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necessary skills and expertise in financial management functions, to perform the desired services.

- Work effort estimates and a work plan listing proposed resource utilization by each month should also be submitted. The work plan and staff schedule should address the scaling up of operations to accommodate any increase in workload, whether long or short-term. The prospective vendor's Work Plan must state any facilities, data, and other requirements that GVI will be expected to provide.
- Names, titles, and resumes of staff that will be assigned to this project. GVI reserves the right to approve changes in personnel from those included in the detailed work plan, and the right to request changes in personnel.

3.9. CHANGE MANAGEMENT

(Section 9.0) Vendor's approach in regard to transitioning individuals, teams, and organizations using methods intended to re-direct the use of resources, business process, budget allocations, or other modes of operation that significantly reshape VIDE or processes throughout the organization; per Section 3.1 above.

3.10. CLIENT REFERENCES

(Section 10.0) The GVI considers references for the Third-Party Fiduciary vendor and any proposed sub-contractors to be important in its decision to award a contract. All references provided will be contacted by the GVI during the selection process. GVI **will not** work through a vendor's Reference Manager to complete a reference—prospective vendors must provide a direct client reference that was involved in a vendor-led project.

THIRD-PARTY FIDUCIARY FIRMS –Firms must provide five (5) references for sites similar to this procurement where they have provided the services being proposed. References should be submitted where the firm was the primary fiduciary agent.

SUB-CONTRACTOR FIRMS – Using the forms attached to this RFP, Third-Party firms addressing particular areas of the scope of work (e.g., business process review and control) should provide at least five (5) references that are similar in size and complexity with this procurement proposal.

3.11. COST PROPOSAL

(Section 11.0) Prospective vendors should submit an estimate of project costs. The prospective vendor's cost proposal must be presented in the format provided in the Attachments to this RFP. The GVI reserves the right to contact prospective vendors on cost and scope clarification at any time throughout the selection process and negotiation process. Finally, it is important that prospective vendors use the cost format presented in this RFP and NOT their own format. Do NOT use "TBD" (to be determined) or similar annotations in the cells for cost estimates. All cells must be filled out. The GVI is asking prospective vendors to estimate costs for all categories with the understanding that they may have to make assumptions. Such assumptions should be stated.

Failure to fully provide cost and work effort estimates may lead to elimination.

The prospective vendor's Pricing Proposal structure must be aligned with the prospective vendor's Work Plan. GVI will use the prospective vendor's Pricing Proposal structure as the basis for a Payment Schedule.

The GVI may award a purchase contract, based on initial offers received without discussion of such offers. A prospective vendor's initial offer should, therefore, be based on the most favorable terms available. The GVI may, however, have discussion with those prospective vendors that it deems, in its discretion, to fall within a competitive range. It may also request revised pricing offers from such prospective vendors, and make an award and / or conduct negotiations thereafter.

The following information is provided to assist prospective vendors with pricing this proposal.

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USED Annual Funding Amount under Fiduciary Oversight	\$ 30 million
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3.12. EXCEPTIONS TO THE RFP

(Section 12.0) All requested information in this RFP must be supplied with the proposal. Prospective vendors may take exception to certain requirements in this RFP. All exceptions shall be clearly identified in this section and the written explanation shall include the scope of the exceptions, the ramifications of the exceptions for the GVI, and the description of the advantages or disadvantages to the GVI as a result of such exceptions. The GVI, at its sole discretion, may reject any exceptions or specifications within the proposal.

A sample professional services agreement has been attached and should be reviewed by the prospective vendors.

3.13. SAMPLE DOCUMENTS

(Section 13.0) To establish a complete and competitive proposal, prospective vendors must include sample copies of the following documents:

- ~ Sample Third-Party fiduciary agreement
- ~ Sample fiscal oversight and control report

Part 4 Evaluation of Proposals

4.1. GVI CONSULTANTS - Not applicable

4.2 SELECTION PARTICIPANTS

GVI staff will evaluate and select finalist proposals. The Evaluation Team is responsible for the evaluation and rating of the proposals and for conducting interviews with elevated prospective vendors. The Evaluation Team is responsible for evaluating vendor experience, references, and scope of work, technical responses, costs, and other selection criteria.

4.3 EVALUATION PROCESS

The GVI will use a competitive process based upon elevating a certain number of prospective vendors to compete against each other at different levels (stages) of the process. If a vendor fails to meet expectations during any part of the process, the GVI reserves the right to proceed with the remaining prospective vendors or to elevate a vendor that was not elevated before. Selection of the final vendor will be based upon the following steps and factors:

➤ Level 1 (Initial Screening)

In order for a proposal to be deemed responsive and pass the initial screening, it must meet the minimum requirements as described below.

- Are proposal costs included, **under separate cover**, with the proposal?
- Does the proposal contain the required responses as requested in the RFP?
- Does the proposal provide evidence that the proposed firm has had experience administering fiduciary oversight services in a similarly sized organization?

Proposals not meeting the minimum requirements will be deemed non-responsive and will not be further evaluated. Non-responsive Prospective vendors will be notified in writing.

➤ Level 2 (Detailed Proposal Assessment)

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- Cost of Services
 - Overall Response to the Scope of Work
 - Technology Standards, Preferences, and Vision
 - Experience of the vendor(s) – Does the proposal demonstrate a strong track record in performing the desired services?
 - Project and Staffing Plan
 - Responses to Section 3 of the RFP
- Level 3 (Vendor Interviews **may be** conducted)
- Vendor References
 - Vendor Interviews (Quality of the Proposed Plan)
 - Completeness of Cost Proposal and Value of the Proposal
- Level 4 (Final Contract Negotiations)
- Conformance with GVI Contract Terms and Conditions
 - Completion of the Statement of Work

Attachments:

Attachment 1: Third Party Fiduciary Vendor Reference Form

Attachment 2: Sub-Contractor Reference Form

Attachment 3: Sample Professional Services Contract

Attachment 4: Special Conditions, including Attachment A

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Attachment 1: Third-Party Fiduciary Reference Form

THIRD-PARTY FIDUCIARY OVERSIGHT SERVICES

Reference Form

Please provide at least five (5) references for the proposed services that most closely reflect similar consulting projects to GVI's scope of work, which has been completed by your firm within the past three (3) years. Please use the following format in submitting references.

GENERAL BACKGROUND

Name of Government or Agency:

Phone:

Address:

Government Project Manager: _____ **/ Title:**

Service Dates: _____

Summary of Project:

Amount of Funds Managed:

Number of Employees:

PROJECT SCOPE

Please indicate (by checking box) processes managed:

- | | | |
|-------------------------|------------------|---|
| (1) General Ledger | (6) Accounts | (11) Payroll Receivable/Billing/Cash Receipts |
| (2) Budget Development | (7) Inventory | |
| (3) Projects Accounting | (8) Purchasing | |
| (4) Grants Accounting | (9) Fixed Assets | |
| (5) Accounts Payable | (10) Payroll | |

PROJECT COST

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Attachment 2: Sub-Contractor Reference Form

THIRD-PARTY FIDUCIARY OVERSIGHT SERVICES

Sub-Contractor Reference Form

Please provide at least five (5) references for the proposed services that most closely reflect similar consulting projects to GVI's scope of work, which your firm has completed within the past three (3) years. Please use the following format in submitting references.

GENERAL BACKGROUND

Name of Government or Agency: _____ Phone: _____

Address: _____

Government Project Manager: _____ Title: _____

Service Dates: _____

Summary of Project: _____

Amount of Funds Managed: _____

Number of Employees: _____

PROJECT SCOPE

Please indicate (by checking box) processes managed:

- | | | |
|-------------------------|------------------|---|
| (1) General Ledger | (6) Accounts | (11) Payroll Receivable/Billing/Cash Receipts |
| (2) Budget Development | (7) Inventory | |
| (3) Projects Accounting | (8) Purchasing | |
| (4) Grants Accounting | (9) Fixed Assets | |
| (5) Accounts Payable | (10) Payroll | |

PROJECT COST

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Attachment 3: Sample Professional Services Contract

CONTRACT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made this _____ day of _____, 2018, in the Territory of the Virgin Islands, by and between the Government of the Virgin Islands, Department of Property and Procurement, on behalf of the [User Agency] (hereinafter referred to as "Government") and [Contractor] (hereinafter referred to as "Contractor")

WITNESSETH:

WHEREAS, the Government is in need of the services of a Contractor to [SUMMARY SCOPE OF SERVICES], which duties and responsibilities are more particularly described in Addendum I (Scope of Work) attached hereto; and

WHEREAS, the Contractor represents that it is willing and capable of providing such services;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written instrument, the parties hereto do covenant and agree as follows:

1. SERVICES

The Contractor will provide the services described in Addendum I (Scope of Work) attached hereto and made a part of this contract.

2. TERM

This Contract shall commence upon the execution of this Contract by the Governor of the Virgin Islands and shall terminate [NUMBER OF DAYS] days thereafter.

3. COMPENSATION - FIXED

The Government, in consideration of the satisfactory performance of the services described in Addendum I (Scope of Work), agrees to pay Contractor the sum of [AMOUNT OF CONTRACT] [(\$)] in accordance with the provisions set forth in Addendum II (Compensation) attached hereto and made a part of this contract.

4. TRAVEL EXPENSES Not Applicable

Included in the compensation for services as specified in Paragraph 3 (Compensation) above, the Government agrees to pay documented transportation, subsistence, lodging and other travel expenses, while in travel status, for trips which have been authorized in writing, in advance, by the Government. These costs shall be advanced or reimbursed on the same basis as is applicable to non-contract employees of the Government, or as agreed to by an addendum to this Contract, however, said costs and expenses shall not exceed (\$)

5. RECORDS

The Contractor, when applicable, will present documented precise records of time and/or money expended under this Contract.

6. PROFESSIONAL STANDARDS

The Contractor agrees to maintain the professional standards applicable to its profession and to consultants doing business in the United States Virgin Islands.

7. DOCUMENTS, PRINTOUTS, ETC.

All documents, books, records, instructional materials, programs, printouts and memoranda of every description derived therefrom and pertaining to this Contract shall become the property of the Government and shall be turned over to it at the termination of this Contract. The above described materials shall not be used by Contractor or by any other person or entity except upon the written permission of the Government.

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8. LIABILITY OF OTHERS

Nothing in this Contract shall be construed to impose any liability upon the Government to persons, firms, associations, or corporations engaged by Contractor as servants, agents, or independent contractors, or in any other capacity whatsoever, or make Government liable to any such persons, firms associations, or corporations for the acts, omissions, liabilities, obligations and taxes of Contractor of whatsoever nature, including but not limited to unemployment insurance and social security taxes for Contractor, its servants, agents or independent contractors.

9. ASSIGNMENT

The Contractor shall not subcontract or assign any part of the services under this Contract without the prior written consent of the Government.

10. INDEMNIFICATION

Contractor agrees to indemnify, defend and hold harmless Government from and against any and all loss, damage, liability, claims, demands, detriments, cost, charges and expense (including attorney's fees) and causes of action of whatsoever character which Government may incur, sustain or be subjected to, arising out of or in any way connected to the services to be performed by Contractor under this Contract and arising from any cause, except the sole negligence of Government.

11. INDEPENDENT CONTRACTOR

The Contractor shall perform this Contract as an independent contractor and nothing herein contained shall be construed to be inconsistent with this relationship or status.

12. GOVERNING LAW

This Contract shall be governed by the laws of the United States Virgin Islands and jurisdiction shall remain in the United States Virgin Islands.

13. WAIVERS AND AMENDMENTS

No waiver, modification or amendment of any term condition or provision of this Contract shall be valid or of any force or effect unless made in writing, signed by the parties hereto or their duly authorized representatives, and specifying with particularity the nature and extent of such waiver, modification or amendment. Any such waiver, modification or amendment in any instance or instances shall in no event be construed to be a general waiver, modification or amendment of any of the terms, conditions or provisions of this Contract, but the same shall be strictly limited and restricted to the extent and occasion specified in such signed writing or writings.

14. ENTIRE AGREEMENT

This agreement constitutes the entire agreement of the parties relating to the subject matter addressed in this agreement. This agreement supersedes all prior communications, contracts, or agreements between the parties with respect to the subject matter addressed in this Agreement, whether written or oral.

15. RIGHT TO WITHHOLD

If work under this Contract is not performed in accordance with the terms hereof, Government will have the right to withhold out of any payment due to Contractor, such sums as Government may deem ample to protect it against loss or to assure payment of claims arising therefrom, and, at its option, Government may apply such sums in such manner as Government may deem proper to secure itself or to satisfy such claims. Government will immediately notify the Contractor in writing in the event that it elects to exercise its right to withhold.

No such withholding or application shall be made by Government if and while Contractor gives satisfactory assurance to Government that such claims will be paid by Contractor or its insurance carrier, if applicable in the event that such contest is not successful.

16. CONDITION PRECEDENT

This Contract shall be subject to the availability and appropriation of funds and to the approval of the Governor.

17. TERMINATION

Either party will have the right to terminate this Contract with or without cause with thirty [30] days written notice to the other party specifying the date of termination.

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18. PARTIAL TERMINATION

The performance of work under this Contract may be terminated by the Government, in part, whenever the Government shall deem such termination advisable. This partial termination shall be effected by delivering to the Contractor a Notice of Partial Termination specifying the extent to which the term and/or duties under this Contract are terminated and the date upon which such termination becomes effective. The Contractor shall be entitled to receive payment for services provided to the date of termination, including payment for the period of the [#] day notice.

19. NON-DISCRIMINATION

No person shall be excluded from participating in, be denied the proceeds of or be subject to discrimination in the performance of this Contract on account of race, creed, color, sex, religion, disability or national origin.

20. CONFLICT OF INTEREST

- (a) Contractor covenants that it has no interest and will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract.
- (b) Contractor further covenants that it is:
 - (1) not a territorial officer or employee (i.e., the Governor, Lieutenant Governor, member of the Legislature, or any other elected territorial official; or an officer or employee of the legislative, executive or judicial branch of the Government or any agency, board, commission or independent instrumentality of the Government, whether compensated on a salary, fee or contractual basis); or
 - (2) a territorial officer or employee and, as such, has:
 - (i) familiarized itself with the provisions of Title 3, Chapter 37 of the Virgin Islands Code, pertaining to conflicts of interest, including the penalties provision set forth in section 1108 thereof;
 - (ii) not made, negotiated or influenced this Contract, in its official capacity;
 - (iii) no financial interest in the Contract as that term is defined in section 1101(1) of said Code chapter.

21. EFFECTIVE DATE

The effective date of this Contract shall be the day of execution of the Contract by the Governor.

22. NOTICE

Any notice required to be given by the Terms of this Contract shall be deemed to have been given when the same is sent by certified mail, postage prepaid or personally delivered, addressed to the parties as follows:

GOVERNMENT

Lloyd T. Bough, Jr., Commissioner
Department of Property and Procurement
8201 Sub Base, 3rd Floor
St. Thomas, VI 00802

[NAME & TITLE]
[USER AGENCY]
[AGENCY'S PHYSICAL ADDRESS]
[AGENCY'S MAILING ADDRESS]
[CITY, STATE, ZIP CODE]

CONTRACTOR

[NAME & TITLE]
[NAME OF COMPANY]
[PHYSICAL ADDRESS]
[MAILING ADDRESS]
[CITY, STATE, ZIP CODE]

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23. LICENSURE

The Contractor covenants that it has:

- (a) obtained all the applicable licenses or permits, permanent, temporary or otherwise as required by Title 27 of the Virgin Islands Code; and
- (b) familiarized itself with the applicable provisions of Title 27 of the Virgin Islands Code pertaining to professions and occupations.

24. OTHER PROVISIONS

Train and coordinate efforts with the Self-Contained Model (SCM) aka Federal Grants Specialized Processing Unit (FGSPU), of the Office of Management and Budget, to identify those particular functions of the FGSPU that are subject to time parameters and the failure of performance, by the user agencies, of which may adversely impact the Government, such as failing to satisfy administrative requirements that results in the lapsing of USDE / ED grant funds. The Recommendation Report shall also verify the duties and functions, as identified by the FGSPU of the Office of Management and Budget that must be performed in order to permit the unit and the Contractor to satisfactorily perform their duties.

25. DEBARMENT CERTIFICATION (Only Insert if Applicable)

By execution of this contract, the contractor certifies that it is eligible to receive contract awards using federally appropriated funds and that it has not been suspended or debarred from entering into contracts with any federal agency. The Contractor shall include this provision in each of its subcontracts hereunder and shall furnish its subcontractors with the current "LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT OR NON PROCUREMENT". In the event the Contractor or any subcontractor misrepresents its eligibility to receive contract awards using federal funds, the Contractor or subcontractor agrees that it shall not be entitled to payment for any work performed under this contract or any subcontract and that the Contractor or subcontractor shall promptly reimburse the Government of the Virgin Islands for any progress payments heretofore made.

26. FALSE CLAIMS

Contractor warrants that it shall not, with respect to this Contract, make or present any claim upon or against the Government of the Virgin Islands, or any officer department, board, commission, or other agency thereof, knowing such claims to be false, fictitious or fraudulent. Contractor acknowledges that making such a false, fictitious or fraudulent claim is an offence under Virgin Islands law.

27. NOTICE OF FEDERAL FUNDING (Only Insert if Applicable)

Contractor acknowledges that this Contract is funded, in whole or in part, by federal funds. Contractor warrants that it shall not, with respect to this Contract, make or present any claim knowing such claim to be false, fictitious, or fraudulent. Contractor acknowledges that making such a false, fictitious, or fraudulent claim is a federal offence.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

WITNESSES:

GOVERNMENT OF THE VIRGIN ISLANDS

[NAME] [TITLE]
[USER AGENCY]

Date

Lloyd T. Bough, Jr., Commissioner
Department of Property and Procurement

Date

CONTRACTOR

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<hr/>	<hr/> <div>[NAME] [TITLE] [NAME OF COMPANY] (Corporate seal, if Contractor is a corporation)</div>	<hr/> <div>Date</div>
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APPROVED:

<hr/> <div>Kenneth E. Mapp GOVERNOR OF THE VIRGIN ISLANDS</div>	Date: <hr/>
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APPROVED AS TO LEGAL SUFFICIENCY
DEPARTMENT OF JUSTICE BY:

 Date

PURCHASE ORDER NO.

CERTIFICATE OF APPROVAL

I hereby certify that this is a true and exact copy of Contract No. [CONTRACT NO]
entered into between the Department of Property and Procurement and
[COMPANY'S NAME].

Lloyd T. Bough, Jr., **Commissioner**
Department of Property and Procurement

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Attachment 4: Special Conditions, including Attachment A

In working with the Agent, the Virgin Islands must do the following:

1. The Virgin Islands and all of its agencies including VIDF, VIDPP, VIDE, VIDH, and VIDHS must work cooperatively and in a timely manner with the Agent to implement the activities and responsibilities described in these special conditions. The Virgin Islands, including VIDF and VIDPP, VIDE, VIDH, and VIDHS, acknowledge that regular communication among the Virgin Islands, the Department, and the Agent is necessary to ensure proper financial management of grant funds, consistent with approved grant applications, budgets, and applicable program statutes, regulations and the cost principles in 2 CFR Part 200, Subpart E. Therefore, the Virgin Islands, including VIDF and VIDPP, VIDE, VIDH, and VIDHS, agree that, as the Department deems necessary and appropriate, the Department shall include the Agent in communications, both written and oral, between the Virgin Islands and the Department. VIDE also agrees that, with respect to the Consolidated Grant to Insular Areas (Consolidated Grant), VIDE must consult with, and obtain assistance from, the Agent in preparing the budgets that accompany the annual Consolidated Grant application.
2. The Virgin Islands, including VIDF and VIDPP, VIDE, VIDH, and VIDHS must permit the Agent's personnel to have access to all financial books, records, and reports related to funds made available to the Virgin Islands, VIDF, VIDPP, VIDE, VIDH and VIDHS by the Department, or used to meet matching requirements, and access to Virgin Islands, VIDF, VIDPP, VIDE, VIDH, and VIDHS personnel for discussion regarding the services the Agent must perform under these special conditions, as provided for in the contract between the Virgin Islands and the Agent.
3. The Virgin Islands, VIDE, VIDH, and VIDHS must notify the Department when any dispute arises and remains unresolved between the Agent and the Virgin Islands, VIDE, VIDH, or VIDHS concerning the implementation or continuation of the contract with the Agent, or the implementation of activities supported by Department grants, including the financial management of grant funds. The Virgin Islands, VIDE, VIDH, and VIDHS agree to the Department's assistance in the resolution of any such unresolved dispute and agree that this assistance may require compliance with the Department's requests for additional information from the Virgin Islands, VIDE, VIDH, or VIDHS, and from the Agent, conference calls among representatives from these entities, and decisions or advice from the Department in resolution of the unresolved dispute. This does not preclude the Virgin Islands and the Agent from including formal dispute resolution mechanisms in their contract.
4. The Virgin Islands, VIDE, VIDH, and VIDHS must comply with all Federal laws and regulations that apply to the receipt and use of funds awarded under Department grants, including requirements that apply under the Uniform Guidance at 2 CFR Part 200, Parts 75 and 76 of EDGAR, and applicable Federal program statutes and regulations.
5. The Virgin Islands, VIDE, VIDH, and VIDHS remain responsible for the provision of program services under the respective grants, including the review and approval (where applicable) of local educational agency (LEA) applications for subgrants under State formula grant programs, determination of LEA allocations, and notification to the LEAs regarding their allocations under the grants.

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6. The Department's grant awards to VIDH under Part C of the Individuals with Disabilities Education Act (IDEA) for FFYs 2002 through 2017 include special conditions, which are attached to, and specified in, the respective IDEA Part C grant award letters (Part C Special Conditions) for those years. These Part C Special Conditions require VIDH to continue to use a separate third party fiduciary agent, Lutheran Social Services (LSS), to ensure the fiscal accountability of IDEA Part C funds and the timely payment of early intervention services providers for the timely provision of IDEA Part C services to infants and toddlers with disabilities and their families in the Virgin Islands. Under these Department-wide special conditions, VIDH's IDEA Part C grant funds may not be used to pay any costs charged by BCA.

7. The Virgin Islands, VIDE, or VIDHS, prior to any drawdowns or disbursements, must provide the Agent with a line item budget for the total amount of each grant and subgrant, if applicable, that has been approved and verified by the Department. The line item budget must include amounts for State administration, State-level program activities, and LEA program activities. For purposes of the Consolidated Grant to Insular Areas (Consolidated Grant), the Virgin Islands and VIDE must provide the Agent with line item budgets for each of the programs under which the Virgin Islands and VIDE will use Consolidated Grant funds. The line item budget for each of these programs must be based on the total amount of Consolidated Grant funds to be used for each program and include amounts for State administration, State-level program activities, and LEA program activities. The Virgin Islands, VIDE and VIDHS acknowledge that the Department will provide the Agent with the applications, budgets, and budget narratives that the Department has approved for their grant awards to ensure that the Agent has these documents for purposes of executing its financial management responsibilities on behalf of the Virgin Islands under these grants.

8. The Virgin Islands, VIDE, and VIDHS are responsible for: (i) executing their respective drawdowns of funds under the grants from the Department's Grants Management System (G5) so that funds are deposited into the separate bank account established and maintained by the Agent; and (ii) providing to the Agent, for deposit into the separate bank account established by the Agent, any matching funds required for the grants. The Virgin Islands, VIDE, and VIDHS understand and agree that they must draw down funds and provide any applicable matching funds to the Agent within 24 hours of receipt of the written notice from the Agent. Failure by the Virgin Islands, VIDE, or VIDHS to comply with this condition concerning the time within which they must draw down funds may result in the Department requiring the transfer of drawdown authority for that entity (i.e., VIDE or VIDHS) to the Agent for that entity. In the event of the Virgin Islands', VIDE's, or VIDHS' failure to draw down funds in accordance with this condition, the Agent must notify the Department, and the Department will determine whether drawdown authority must be transferred to the Agent. If so, then immediately upon written notice of this decision from the Department, the Virgin Islands, VIDE or VIDHS, as appropriate, must take all steps necessary to provide the Agent with full authority to perform drawdowns, including providing any information and authorization that the Department needs to recognize the Agent as the entity with drawdown authority.

9. The Virgin Islands, VIDE and VIDHS must use fiscal control and accounting procedures that ensure proper disbursement of, and accounting for, Federal funds, in accordance with 34 CFR 75.702 (discretionary grants) and 76.702 (formula grants), and that meet the requirements imposed on non-Federal entity grantees in 2 CFR 200.302, 200.303, and 200.305(b).

10. The Virgin Islands, VIDE and VIDHS must expend Federal and matching funds only for costs that are allowable under the respective grant programs, in accordance with the regulations and cost principles in 2 CFR Part 200, Subpart E. Additionally, for purposes of the Consolidated Grant, the Virgin Islands, VIDE and VIDHS must expend Federal and matching funds only for allowable costs under, and included in, each Department-approved Consolidated Grant plan from FFYs 2007 through 2017.

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11. The Virgin Islands, VIDE, and VIDHS acknowledge that the Agent also has the duty to ensure that Department funds are used only for allowable costs, including costs that are necessary, reasonable, and allocable to the respective grants as required by 2 CFR Part 200, Subpart E, and that are procured in accordance with applicable procurement requirements in 2 CFR 200.318-200.326. Where there is a question as to whether a cost is allowable, the Agent must raise this question with the appropriate entity, Virgin Islands, VIDE, or VIDHS and, if the Agent deems it necessary, may also request assistance from the Department in determining the allowability of any expenditure.

12. The Virgin Islands, VIDE, and VIDHS must coordinate with the Agent the timing of drawdowns and disbursements to ensure that payments to staff, vendors and providers are prompt and timely. To the greatest extent feasible, the Virgin Islands, VIDE, and VIDHS must draw down funds in a timely manner so that funds under the grants are deposited to the separate bank account(s) maintained by the Agent on the same day that funds are drawn from the account(s) to liquidate obligations under the grants. The Virgin Islands, VIDE, or VIDHS, as appropriate and at the Agent's direction, must draw down sufficient funds under a grant to cover each approved request for payment. The Virgin Islands, VIDE, and VIDHS must charge their grants only for costs resulting from obligations that were properly made during the period of availability for the funds, including any carryover period. To ensure against the lapsing of Department funds, the Virgin Islands, VIDE, and VIDHS must provide the Agent with the amount and nature of all obligations in a timely manner to ensure that the obligations are liquidated no later than 90 days after the end of the funding period or during any extension of that period authorized by the Department, in accordance with 2 CFR 200.343(b).

13. The Virgin Islands, VIDE, and VIDHS must establish and maintain an effective process for tracking and reporting time and effort spent by all employees whose salaries are paid under ED grants, including, but not limited to, maintaining accurate and up-to-date employee staffing lists and notices of personnel actions, distributing time among different funding sources for split-time employees, and properly allocating salary costs among ED grants, based on records that accurately and properly record the distribution of each employee's work on multiple cost objectives, the time the employee attends work, and, for those employees who work on a single cost objective, semiannual certifications. The Virgin Islands, VIDE, and VIDHS must carry out these responsibilities consistent with Federal requirements in 2 CFR Part 200, Subpart E, and more specifically, 2 CFR 200.430 and 200.431.

14. The Virgin Islands, VIDE, and VIDHS must work with the Agent to ensure that the charging of direct and indirect costs against the respective Department grants is consistent with the applicable restricted and unrestricted indirect cost rates negotiated with, and approved by, the U.S. Department of Interior (the Virgin Islands' cognizant Federal agency), and that copies of any indirect cost rate proposals or agreements are provided to the Agent and comply with the applicable requirements of 2 CFR Part 200, Subpart E, and 34 CFR 75.560-564 (discretionary grants) and 34 CFR §§76.560-569 (formula grants).

15. When necessary, the Virgin Islands, including VIDF and VIDPP, VIDE, and VIDHS, must grant the Agent authority to enter into contracts with vendors on behalf of the Virgin Islands, VIDE, VIDHS, and, as appropriate, VIDH, and in doing so, the Virgin Islands and its Agent must comply with the provisions for procurement set forth in 2 CFR 200.318-200.326.

16. The Virgin Islands, VIDE, and VIDHS must provide effective oversight for proposed procurements, including, but not limited to, training all staff on, and reviewing all requisitions against, local and ED requirements for procuring goods and services, to facilitate the review and approval by the Agent in a timely manner of purchase orders and to reduce the number of requisitions that are disallowed by the Agent for not meeting these requirements.

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17. The Virgin Islands, VIDE, VIDHS, or, as appropriate, VIDH must ensure that within 24 hours of receipt of a vendor's invoice from the Agent, staff must (i) accept or reject the goods or services, and, if accepted, (ii) draw down funds for the vendor payment for deposit into the separate bank account(s) maintained by the Agent.

18. The Virgin Islands, VIDE, and VIDHS must work with the Agent to ensure that all tangible personal property procured under ED grants is managed in accordance with the requirements of 2 CFR 200.313(a) and (c)-(e) to ensure that such property with a purchase price of \$500 or greater is properly inventoried, maintained, and stored to prevent loss, damage, or theft of such property. The Virgin Islands (through VIDPP or another agency designated by the Governor) must conduct a physical inventory of its equipment (as defined in 2 CFR 200.33) with a purchase price of \$500 or greater that was acquired with ED grant funds at any time, and provide a copy of the inventory to the Agent upon completion. A copy of the inventory report shall be provided to the Department upon request.

19. All transactions under the contract between the Virgin Islands and the Agent must be consistent with all applicable Federal requirements, including those in the Uniform Guidance at 2 CFR Part 200 and EDGAR at 34 CFR 75 or 76, as appropriate.

20. The Virgin Islands, including VIDF and VIDPP, VIDE, and VIDHS must work with the Agent to assist in training the appropriate Virgin Islands employees and providing transition assistance (including, but not limited to, transferring all necessary data from the Agent to the new CFMS, and communicating information from the Agent to the contractor implementing the new CFMS), as the Virgin Islands implements the new CFMS. The Virgin Islands, VIDE, VIDHS, and VIDH acknowledge that the Agent maintains responsibility for managing and administering Department grant funds awarded to the Virgin Islands, VIDE, VIDHS, and, as appropriate, VIDH, in accordance with these special conditions. The Virgin Islands, VIDE, VIDH and VIDHS shall avoid any actions which may impact the agent's role and responsibilities under these special conditions, which do not include oversight of any current and/or proposed fiscal initiatives of the Virgin Islands, including, but not limited to, the proposed Federal Grants Specialized Processing Unit/Self Contained Model (FGSPU/SCM). The Agent may assist the Virgin Islands with the implementation of the FGSPU/SCM and/or other similar financial management capacity building efforts, to the extent that this assistance does not compromise the execution of its responsibilities under these special conditions

21. Except as noted herein, the Virgin Islands, VIDE, VIDH, and VIDHS shall comply with all applicable provisions of EDGAR.

22. The Virgin Islands, VIDE, and VIDHS may include any other terms in the contract with the Agent, consistent with those above, as are necessary to ensure timely liquidation of all Department funds, timely payment to staff, providers and vendors, and general financial management consistent with applicable Federal regulations, under the Department's grants

B. Corrective Action Plan (CAP)

The Virgin Islands and VIDE shall submit quarterly updates to the CAP addressing tasks not completed under previously submitted versions of the CAP, as well as any newly proposed or ongoing tasks, and issues identified by the Agent as part of its assessment of the Virgin Islands' and VIDE's readiness to reassume management of Federal education funds. In particular, the Department is aware that the Virgin Islands and VIDE are considering implementation of an FGSPU/SCM as the approach for reassuming management of the Department grant funds, once the Department has made the determination that the Virgin Islands and VIDE have demonstrated the

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capacity to ensure fiscal management of these funds without the services of an Agent.

The Virgin Islands and VIDE shall submit a draft organizational chart for the proposed FGSPU/SCM that fully describes the roles and responsibilities of the SCM Project Manager and the oversight of the three units that the Virgin Islands has indicated will be part of the SCM, which include: the Federal Grants Administration, the Federal Grants Accounting and the Federal Fixed Assets and Inventory Management divisions. Position descriptions and job requirements for all proposed FGSPU/SCM staff positions must also be provided.

The Virgin Islands and VIDE must incorporate into the CAP the FGSPU/SCM and any other initiatives that they are undertaking to build this capacity within the Virgin Islands and VIDE, including, more specifically, the tasks and actions to be completed as part of the Virgin Islands' and VIDE's planned implementation of the FGSPU/SCM and any other initiatives that they are undertaking to build fiscal management capabilities and capacity within the Virgin Islands and VIDE. All updates to the CAP reflecting newly proposed initiatives, activities, tasks or issues must be approved by the Department.

The Virgin Islands and VIDE shall provide a quarterly report to the Department on their progress in implementing the various measures required under the CAP, including a description of activities and progress for each task during the reporting period, documentation of measures of performance and results, and other data or documentation as specified within the action steps for each task. Any changes in the task completion dates included in the new CAP must first be approved by the Department. The Virgin Islands and VIDE should make every effort to avoid the need to change task completion dates. The due dates for the quarterly reports are:

- Date of FFY 2017 Departmental Special Conditions to December 31, 2017 - Due on or before January 15, 2018
- January 1, 2018 to March 31, 2018 — Due on or before April 16, 2018
- April 1, 2018 to June 30, 2018 — Due on or before July 16, 2018
- July 1, 2018 to September 30, 2018 — Due on or before October 15, 2018

C. Program-Specific Special Conditions

In accordance with 34 CFR 76.132(a)(5), the Virgin Islands and VIDE must submit an annual performance report to the Department, as required under 2 CFR 200.328, for each of the programs for which they are using funds received under the Consolidated Grant. Each report must contain a comparison of actual accomplishments to the objectives established in the approved Consolidated Grant plans and the reasons for slippage if established objectives were not met.

Additional program-specific special conditions may be imposed on grant awards made under one or more programs, in addition to the special conditions that are contained herein, because in certain program areas, the Virgin Islands may be a high-risk grantee and require significant improvements in the administration of program requirements. Each such program-specific special condition will be incorporated into the appropriate notification of grant award from the Department to the Virgin Islands, VIDE, VIDH or VIDHS.

D. Cooperation with the Department's Office for Civil Rights and Compliance with Civil Rights Regulations

VIDE must ensure that it complies with the regulations enforced by the Department's Office for Civil Rights (OCR) and cooperates with OCR's investigations including: responding to requests for data in a timely manner; addressing compliance concerns cited by OCR in a timely manner; and submitting complete and timely monitoring reports.

Specifically, VIDE will respond to data requests, including scheduling staff interviews, within 15 days of receiving OCR's request. VIDE will also take the appropriate actions specified by OCR to address all compliance

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concerns cited by OCR and resulting from a complaint or compliance review investigation, within the timeframes specified by OCR. VIDE will also provide documentation in its monitoring reports demonstrating that actions have been taken within the timeframes specified by OCR.

E. Notification and Approval of Amendments to Contract Between Virgin Islands and Agent

The Virgin Islands must notify the Department of any proposed amendment to the contract between the Virgin Islands and the Agent, and must submit the proposed amendment to the Department for approval prior to execution of the amendment by the parties.

F. Failure to Comply with Conditions

Failure of the Virgin Islands, including VIDF and VIDPP, VIDE, VIDH, or VIDHS to comply with any of these special conditions as to any Department grant award will negatively impact the ability of the Virgin Islands, VIDE, VIDH, or VIDHS to continue to receive grant funds from the Department. These terms and conditions do not preclude the Department from taking any otherwise authorized enforcement or other actions at any time.

G. Reconsideration and Modifications

At any time, the Virgin Islands, VIDE, VIDH, or VIDHS may request reconsideration of the above special conditions by contacting the Department and stating in writing the reasons why they believe the conditions should be modified or are no longer needed. Further, the Department may impose additional special conditions or modify these special conditions as appropriate. The Department will remove the special conditions at such time as the Virgin Islands fully demonstrates, to the Department's satisfaction, the ability to manage the Department's funds and property purchased for use under the grants in a manner that complies with applicable Federal requirements concerning accountability and funds management.

H. Incorporation of Special Conditions as Addendum to Contract

Upon receipt of these special conditions, and before the Virgin Islands may expend funds under grants subject to these conditions, the Virgin Islands and the Agent must incorporate these special conditions as a further addendum to the contract between the Virgin Islands and the Agent, and must provide written notice to the Department that the conditions have been so incorporated. The terms of these special conditions supersede the terms of the special conditions issued on June 30, 2016, and attached as an Addendum to the current contract with BCA, to the extent that any provisions in these special conditions have been modified and are now inconsistent with those in the Addendum.

I. U.S. Department of Education Contact

All communications with the Department regarding these special conditions, including submission of notices, requests, or reports shall be directed to:

Iyauta Green

Office of the Deputy Secretary

Risk Management Service

U.S. Department of Education 550 12th street, S.W.,

Room 7096

Washington, D.C. 20024

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Attachment A

Responsibilities and Requirements for the Third Party Fiduciary Agent
(to be incorporated into any contract for services with the Agent)

The responsibilities and requirements for the Agent under these special conditions are as follows:

1. The Agent must work cooperatively and in a timely manner with the Virgin Islands, VIDE, VIDH, and VIDHS to implement the activities and responsibilities described in these special conditions. The Agent acknowledges that regular communication among the Virgin Islands, the Department, and the Agent is necessary to ensure proper financial management of grant funds, consistent with approved grant applications, budgets, and applicable program statutes, regulations and the cost principles in 2 CFR Part 200, Subpart E. Therefore, the Agent understands and agrees that, as the Department deems necessary and appropriate, the Department shall include the Agent in communications, both written and oral, between the Virgin Islands and the Department.
2. The Agent's role encompasses financial management responsibilities concerning the grants, including, but not limited to, processing payments and disbursements, maintaining financial records, financial reporting, instituting and applying procurement, inventory, and payroll procedures that comply with applicable Federal requirements, and other duties as more fully described below. In addition, with respect to the Consolidated Grant, the Agent agrees to provide assistance to VIDE as it prepares the budgets that accompany the annual Consolidated Grant application.
3. For purposes of the IDEA Part C FFY 2002 through 2017 grants, the Agent is responsible only for the property procurement and management functions that are required to be performed under the Uniform Guidance at 2 CFR Part 200 (including 2 CFR 200.311, 200.313, 200.314, and 200.318-200.326) by VIDPP, and any financial management functions needed to be performed by VIDF for the IDEA Part C grants, and which are not being performed already under the contract between VIDH and LSS. Because VIDH's IDEA Part C grants for FFYs 2002 through 2017 include special conditions requiring the use of a third party fiduciary agent (LSS) that carries out VIDH's financial management and recordkeeping responsibilities in accordance with the applicable provisions of IDEA Part C and EDGAR, the Agent (BCA) performing services under these Department-wide special conditions is not required to assume responsibilities other than the responsibilities described above in this subsection. The Department's grant awards to VIDH under IDEA Part C for FFYs 2002 through 2017 include special conditions requiring VIDH to use LSS to ensure the continued fiscal accountability of IDEA Part C funds and the timely payment of early intervention service providers for the timely provision of IDEA Part C services to infants and toddlers with disabilities and their families. In addition, VIDH's IDEA Part C grant funds may not be used to pay any costs charged by the Agent (BCA) to the Virgin Islands or VIDH under the contract between the Virgin Islands and the Agent (BCA).
4. The Virgin Islands, VIDE, or VIDHS, prior to any drawdowns or disbursements, must provide the Agent with a line item budget for the total amount of each grant and subgrant, if applicable, that has been approved and verified by the Department. The line item budget must include amounts for State administration, State-level program activities, and LEA program activities. For purposes of the Consolidated Grant, the Virgin Islands and VIDE must provide the Agent with line item budgets for each of the programs under which the Virgin Islands and VIDE will use Consolidated Grant funds. The line item budget for each of these programs must be based on the total amount of Consolidated Grant funds to be used for each program and include amounts for State administration, State-level program activities, and LEA program activities. The Agent must use these line item budgets to track projected and actual expenditures for the programs under the grants. The Agent must ensure that the expenditures proposed are

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only for allowable costs under each grant. The Agent will also receive from the Department copies of the applications, budgets, and budget narratives that the Department has approved for the Virgin Islands' grant awards to ensure that the Agent has these documents for purposes of executing its financial management responsibilities on behalf of the Virgin Islands under these grants.

5. The Agent must establish, maintain, and manage a separate bank account for all of the funds under the grants from the Department. The Agent must provide the Virgin Islands, VIDE, and VIDHS, as appropriate, with written notice (e.g., copy of invoice) of when funds are needed for a disbursement under a particular grant.
6. The Agent must acknowledge that the Virgin Islands, VIDE, and VIDHS have drawdown authority and that they understand and agree that they must draw down funds and provide any applicable matching funds to the Agent within 24 hours of receipt of the written notice from the Agent. Failure by the Virgin Islands, VIDE, or VIDHS to comply with this condition concerning the time within which they must draw down funds may result in the Department requiring the transfer of drawdown authority to the Agent for that entity. In the event of the Virgin Islands', VIDE's, or VIDHS' failure to draw down funds in accordance with this condition, the Agent must notify the Department, and the Department will determine whether drawdown authority must be transferred to the Agent. If so, then immediately upon written notice of this decision from the Department, the Virgin Islands, VIDE or VIDHS, as appropriate, must take all steps necessary to provide the Agent with full authority to perform drawdowns, including providing any information and authorization that the Department needs to recognize the Agent as the entity with drawdown authority.
7. The Agent must use fiscal control and accounting procedures that meet the requirements imposed on non-Federal entity grantees in accordance with 2 CFR 200.302, 200.303, and 200.305(b).
8. The Agent must expend funds only for costs that are allowable under the respective grant programs, in accordance with 2 CFR Part 200, Subpart E. Additionally, for purposes of the Consolidated Grant, the Agent must expend funds only for allowable costs under, and included in, each Department-approved Consolidated Grant plan from FFYs 2007 through 2016. If the Agent questions whether an expenditure is allowable, the Agent must raise this question with the appropriate entity, the Virgin Islands, VIDE, or VIDHS. If the Agent deems it necessary, the Agent may also request assistance from the Department in determining the allowability of any expenditure.
9. The Agent must determine the value of any in-kind property or services donated to or provided by the Virgin Islands, VIDE, and VIDHS that are used to meet cost sharing or matching requirements as required by 2 CFR 200.306 and must maintain records sufficient to document the bases for those valuations.
10. The Agent must take steps to prevent the lapsing of funds available under the grants, including ensuring timely disbursement of funds through the use of methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement of those funds as specified in the Virgin Islands' Treasury-State agreement, as required under the Cash Management Improvement Act and Treasury regulations at 31 CFR Part 205. For grant funds not included in the Virgin Islands' Treasury-State agreement, the Agent must meet the requirements in 2 CFR 200.305(b). The Virgin Islands, VIDE, VIDHS, and the Agent must coordinate the timing of drawdowns and disbursements to ensure that payments to staff, vendors and providers are prompt and timely. To the greatest extent feasible, the Virgin Islands, VIDE, VIDHS, or the Agent, if it has undertaken drawdown responsibility, must draw down funds in a timely manner so that funds under the grants are deposited to the separate bank account maintained by the Agent on the same day that funds are drawn from the account to liquidate obligations under the grants. The Agent must ensure that any interest earned on grant funds not subject to the Treasury-State agreement is repaid annually, as required by 2 CFR § 200.305(b)(9).

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11. The Agent must charge Department grants only for costs resulting from obligations that were properly made during the period of availability for the funds, including any carryover period. To ensure against the lapsing of Department funds, the Agent must liquidate obligations no later than 90 days after the end of the funding period or during any extension of that period authorized by the Department, in accordance with 2 CFR §200.343(b).
12. The Agent may seek approval from the Department to charge allowable pre-award costs incurred by the Virgin Islands, VIDE, or VIDHS against any grant award from FFY 2002 through 2017 to which these special conditions apply. The Agent must submit any request for pre-award costs to the Department in writing and may not reimburse any pre-award costs unless it receives written approval from the Department.
13. The Agent must establish and maintain a process for tracking and reporting time and effort spent by all employees whose salaries are paid under ED grants, including distribution of time among different funding sources for split-time employees, and for properly allocating salary costs among ED grants, based on records that accurately and properly record the distribution of each employee's work on multiple cost objectives, the time the employee attends work, and, for those employees who work on a single cost objective, semiannual certifications. The Agent must carry out these responsibilities consistent with Federal requirements in 2 CFR Part 200, Subpart E, and more specifically, 2 CFR 200.430 and 200.431.
14. In disbursing funds for allowable costs under the grants, the Agent must distinguish between direct and indirect costs and use accurate methods to allocate funds correctly between these two cost categories. The Agent must ensure that the charging of direct and indirect costs against the respective Department grants is consistent with the applicable restricted and unrestricted indirect cost rates negotiated with, and approved by, the U.S. Department of Interior (the Virgin Islands' cognizant Federal agency), and that copies of any indirect cost rate proposals or agreements comply with the applicable requirements of 2 CFR Part 200, Subpart E, and 34 CFR 75.560-564 (discretionary grants) and 34 CFR 76.560-569 (formula grants).
15. The Agent must establish contacts and working relationships with prospective vendors that can provide goods and services that the Virgin Islands, VIDE, and VIDHS need under the grants. The Virgin Islands, VIDE, and VIDHS must give the Agent authority to enter into contracts with vendors on behalf of the Virgin Islands, VIDE, VIDHS, and, as appropriate, VIDH, and in doing so, must comply with the provisions for procurement set forth in 2 CFR 200.318-200.326.
16. Within 24 hours of the Agent's receipt of a vendor invoice, the Agent must provide a copy of the invoice to the Virgin Islands, VIDE, VIDHS, or, as appropriate, VIDH, and ensure that the goods or services delivered are available for inspection and acceptance or rejection by the appropriate Virgin Islands, VIDE, VIDHS, or, as appropriate, VIDH, staff requesting the goods or services. The Agent must pay vendors for the delivered goods or services and must, to the extent reasonably possible, disburse funds to the vendors on the same day that funds are deposited into the separate bank account(s) maintained by the Agent. The Agent must make payments by electronic funds transfer (EFT) or by paper draft only if EFT is not available or possible for a particular vendor.
17. The Agent must manage all tangible personal property procured under the grants, with a purchase price of \$500 or greater, in accordance with the requirements of 2 CFR §§ 200.313(a) and (c)-(e). In particular, the Agent must establish and maintain a process for managing such property consistent with the requirements of 2 CFR 200.313(d), including reconciling the inventory conducted by the Virgin Islands under Section ILA, 1 8 of these special conditions with existing property records; developing a system for maintaining property records and for identifying property acquired with ED grant funds; and establishing a control system to prevent loss, damage, or theft of the property.

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18. The Agent must maintain records that fully show the amount of funds made available under each of the grants; how the Virgin Islands, VIDE, or VIDHS uses the funds; the total cost of each project; the share of that cost provided from other sources; and other records to facilitate an effective audit, in accordance with 34 CFR 75.730 (discretionary grants) and 76.730 (formula grants). The Agent, acting on behalf of the Virgin Islands, VIDE and VIDHS, must retain records in accordance with the provisions of 2 CFR §200.333.
19. In general, the Agent must use fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for, Federal funds, in accordance with 34 CFR §75.702 (discretionary grants), 76.702 (formula grants), and 2 CFR 200.302, 200.303, and 200.305(b).
20. The Agent must maintain insurance as required under the terms of the contract.
21. All transactions under the contract between the Virgin Islands and the Agent must be consistent with all applicable Federal requirements, including the Uniform Guidance at 2 CFR Part 200 and EDGAR at 34 CFR Pans 75 or 76, as appropriate.
22. The Agent must comply generally with the requirements of 2 CFR 200.327. More specifically, the Agent must produce quarterly reports concerning financial transactions of the Virgin Islands, VIDE, and VIDHS for submission to those entities and the Department, detailing for each grant awarded to the Virgin Islands, VIDE, and VIDHS, including for each individual program for which the Virgin Islands and VIDE are using Consolidated Grant funds: a) the date of receipt, and the amount, of each approved payment request; b) the date and amount of each draw down deposit; c) the date and amount of each payment or disbursement by the Agent; and d) any interest or other funds remaining in the account at the end of the quarter. These amounts must also be grouped by and comparable with the projections in the line item budgets described above in Section II.A.7 and must be reconciled with the Department's G5 system. This reconciliation must include drawdown dates, drawdown amounts and available balances, by award. These reports shall be due within 10 working days after the end of each quarter.
23. The Agent must work with the Virgin Islands, VIDE, VIDHS, VIDF, and VIDPP to assist in the training of employees and to provide transition assistance (including, but not limited to, transferring all necessary data from the Agent to the new CFMS, communicating information from the Agent to the contractor implementing the new CFMS, and providing feedback to the Virgin Islands, VIDE, and the Department on the Virgin Islands' implementation of the new CFMS), as the Virgin Islands implements and transitions staff to the new CFMS.
24. The Agent is responsible for managing and administering Department grant funds awarded to the Virgin Islands, VIDE, VIDHS, and, as appropriate, VIDH, in accordance with these special conditions. The Agent's role and responsibilities under these special conditions do not include oversight of any current and/or proposed fiscal initiatives of the Virgin Islands, including, but not limited to, the proposed FGSPU/SCM. The Agent may assist the Virgin Islands with the implementation of the FGSPU/SCM and/or other similar financial management capacity building efforts, to the extent that this assistance does not compromise the execution of its responsibilities under these special conditions.
25. The Agent recognizes that, except as noted herein, the Virgin Islands, VIDE, VIDH, and VIDHS must comply with all applicable provisions of EDGAR, and all actions that the Agent takes on their behalf in accordance with services provided under these special conditions, must be in compliance with all applicable provisions of EDGAR.